

Message Text

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45

ACTION XMB-07

INFO OCT-01 ARA-16 ISO-00 AID-20 IGA-02 EB-11 COME-00

TRSE-00 OPIC-12 CIEP-02 DRC-01 CIAE-00 INR-10 NSAE-00

RSC-01 /083 W

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P R 111600Z SEP 73

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC PRIORITY 9230

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

UNCLAS RIO DE JANEIRO 3309

PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, BR

SUBJECT: CONSTRUTORA TRIANGULO S.A. - BELO HORIZONTE - FCIA POLICY
MTE 8898/D 185

REF: STATE 178366

1. BASED ON INFORMATION OBTAINED FROM ONE OF TRIANGULO'S DIRECTORS AND FROM BANCO DENASA DE INVESTIMENTOS WHICH HAS OUTSTANDING LOANS TO TRIANGULO, THE FIRM HAS NOT REPEAT HAS NOT BEEN DECLARED BANKRUPT.

2. FIRM'S DIRECTOR ADMITTED BEING SLOW IN PAYMENTS TO TWO LOCAL SUPPLIERS AND THAT THESE CREDITORS IN PROTESTING NON-PAYMENT OF NOTES, PETITIONED STATE COURT FOR A BANKRUPTCY DECREE AS A MEANS TO PRESSURE FIRM TO RESOLVE DEBTS. COURT HAS NOT ADJUDICATED THESE PETITIONS, AND IN THE INTERIM, FIRMS WERE PAID-OFF.

3. FIRM'S WORKING CAPITAL SITUATION IS TIGHT AND RECENTLY IT HAS NEGOTIATED NEW LOANS WITH DENASA, BANCO INTERCONTINENTAL AND A BANK IN THE STATE OF UNCLASSIFIED

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ESPIRITO SANTO TO IMPROVE ITS LIQUIDITY. FIRM'S

DIRECTOR STATED THAT DIFFICULTIES AROSE FROM TWO CAUSES: A) THE NATIONAL DEPARTMENT OF HIGHWAYS (DNER) FOR WHICH THE FIRM PERFORMS ROAD CONSTRUCTION PROJECTS HAS BEEN SLOW IN MAKING PERFORMANCE PAYMENTS TO TRIANGULO. B) LOCAL BANK IN MINAS (BANCO MINEIRO DO OESTE), TRADITIONAL SOURCE OF WORKING CAPITAL FUNDING FOR FIRM, WAS PURCHASED SEVERAL MONTHS AGO BY THE SAO PAULO GROUP- BRADESCO AND THIS RESULTED IN A STOPPAGE AND PARALYSIS OF SHORT-TERM LENDING FROM THIS SOURCE WHILE MERGER WAS BEING WORKED OUT.

4. FIRM'S DIRECTOR STATED THAT THE FIRM IS PROGRESSING ON SIX DIFFERENT ROAD CONSTRUCTION PROJECTS IN THREE BRAZILIAN STATES AND THAT ITS BUSINESS FOOTING IS SOLID. HE ALSO INSISTED THAT ITS FINANCIAL DIFFICULTIES WERE TEMPORARY AND NOW TOTALLY RESOLVED. RIO CONGEN DOES NOT NOW HAVE SUFFICIENT INFORMATION ON WHICH TO FORM A JUDGEMENT AS TO FIRM'S OUTLOOK FOR THE FUTURE.

5. IN LIGHT OF ABOVE INFORMATION, POST ASSUMES THAT NAMES OF ATTORNEYS FOR EXIMBANK RETENTION NOT DESIRED AT THIS TIME. POST WOULD APPRECIATE PROMPT NOTIFICATION IF FIRM DOES NOT MEET OCTOBER 10, 1973 PAYMENT.
BOONSTRA

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